

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF NORTHERN
KENTUCKY WATER DISTRICT (A) FOR)
AN ADJUSTMENT OF RATES; (B) A)
CERTIFICATE OF CONVENIENCE AND) Case No. 2003-00224
NECESSITY FOR IMPROVEMENTS TO)
WATER FACILITIES IF NECESSARY)
AND (C) ISSUANCE OF BONDS)

MOTION

Northern Kentucky Water District (NKWD), by counsel, requests an extension of time to file the depreciation study referenced in the Commission's Order of April 30, 2003, Case No. 2002-00105. The April 30th Order, also requires a rate application to be filed no later than September 1, 2003. The time needed to complete the depreciation study is estimated to be 18 to 24 months at a cost of several hundred thousand dollars.

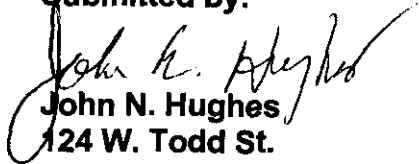
The District has begun such a study in the form of a comprehensive Asset Management Program, which will identify all facilities of the District. This Program will provide a detailed analysis of the types of facilities, their age, condition and expected useful life.

Because the study will take almost two years, it is not possible to meet the Commission's requirement of a depreciation study by September 1. Even the most superficial depreciation study could not be completed in time to file a rate application by that date. Depreciation is an essential element in the calculation of the revenue requirement. Without an allowance to use

information available to the District, which has been updated to the extent possible with current data, the District cannot file a rate application. Delay of the filing will prevent the unification of rates of Newport, continued loss of debt service for the acquisition of Newport, and inability to finance and construct immediately necessary repair, replacement and extension projects.

For these reasons, the District requests that it be allowed to use current depreciation information for this application. Upon completion of the Asset Management Program, the District will incorporate that information into its next succeeding rate case. Due to the continuing need for significant construction and financing, the District expects to file a rate case within a short period after the completion of the AMP.

Submitted by:


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